

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Black Hills Gas Resources, Inc.

3a. Address

PO Box 249 Bloomfield, NM 87413

3b. Phone No. (include area code)

505.634.1111 x 24

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

990' FSL & 520' FEL Unit P

Sec. 10, T30N, R03W

5. Lease Serial No.

Jicarilla Contract 457

6. If Indian, Allottee or Tribe Name

Jicarilla Apache Tribe

7. If Unit or CA/Agreement, Name and/or No.

25

8. Well Name and No.

JICARILLA 457-10#44

9. API Well No.

30-039-29321

10. Field and Pool, or Exploratory Area

E. Blanco PC, Basin FC & Cabresto Canyon Tertiar

11. County or Parish, State

Rio Arriba County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Black Hills Gas Resources, Inc. intends to plug and abandon the above referenced well per the attached procedure.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Agatha Snell

Title

Eng. Tech.

Signature

Agatha Snell

Date

September 22, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

[Signature]

Title

PE

Date

SEP 27 2006

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

FO

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NMOCD

PLUG AND ABANDONMENT PROCEDURE

August 10, 2006

Jicarilla 457 - 10 #44

EB PC/ Basin FC, Cabresto Canyon Tertiary
990' FSL & 520' FEL, SE, Section 10, T30N, R3W
Rio Arriba County, New Mexico, API #30-039-29321

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield.

1. Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Black Hills safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line and blow down well; kill with water as necessary. ND wellhead and NU BOP. Test BOP.
2. PU on rods and unseat pump. Re-seat pump. Pressure test tubing to 1000#. POH and LD rods and pump. TOH and tally 121 joints, 2.375" tubing, SN, Gas Anchor, total tally 3865'. If necessary use a workstring.
→ Set a plug to isolate Pictured Cliffs interval Fruitland
3. **Plug #1 (Pictured Cliffs perforations, Fruitland Coal, Kirtland, Ojo Alamo tops, and Tertiary (Nacimiento) perforations, 3689' - 2966')**: TIH and set wireline CIBP at 3689'. TIH with open ended tubing and tag CIBP at 3689'. Mix 79 sxs Type III cement in 2 stages and spot a plug inside the casing above CR to isolate the Pictured Cliffs interval, Fruitland Coal, Kirtland, Ojo Alamo tops and Tertiary (Nacimiento) perforations. PUH and WOC. TIH and tag cement. TOC should be at 2966' or higher. PUH to 2465'.
4. **Plug #2 (Nacimiento top, ^{2101' 2001'} 2465' - 2365')**: Mix 16 sxs cement and spot a balanced plug inside the casing to cover the Nacimiento top. PUH to 1599'.
5. **Plug #3 (Tertiary (San Jose) perforations, 1599' - 1497')**: Mix 16 sxs cement and spot a plug inside the casing to cover the Tertiary (San Jose) perforations. TOH with tubing. WOC. TIH and tag cement. TOC should be at 1497' or higher. TOH and LD tubing.
6. **Plug #4 (Surface, 306' - 0')**: Perforate 3 squeeze holes at 306'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 85 sxs cement and pump down the 5.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
7. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Jicarilla 457 - 10 #44

Current

EB PC/Basin FC, Cabresto Canyon Tertiary

990' FSL & 520' FEL, SE, Section 10, T-30-N, R-3-W

Rio Arriba County, NM / API #30-039-29321

Today's Date: 8/10/06

Spud: 4/14/05

Completion: 7/9/05

Elevation: 7313' GI
7326' KB

12.25" hole

8.625" 24#, K-55 Casing set @ 256'
Cement with 200 sxs (Circulated to Surface)

WELL HISTORY

No Workover of Record

TOC @ 975' (CBL)

Tertiary (San Jose) Perforations:
1547' - 1549'

2.375" Tubing at 3865'
(121 jts w/ pups, SN and Gas Anchor
with rods and pump)

Tertiary (Nacimiento) Perforations:
3016' - 3018'

Fruitland Coal Perforations:
3739' - 3757'

Pictured Cliffs Perforations:
3776' - 3796', 3854' - 3863'

5.5" 15.5#, J-55 Casing set @ 3917'
Cemented with 680 sxs

Nacimiento @ 2415'

Ojo Alamo @ 3279'

Kirtland @ 3488'

Fruitland Coal @ 3655'

Pictured Cliffs @ 3775'

7.875" hole

TD 3920'
PBTD 3903'

Proposed P&A
EB PC/Basin FC, Cabresto Canyon Tertiary

Rio Arriba County, NM / API #30-039-29321

Elevation: 7313' GI
7326' KB

5.5" 15.5#, J-55 Casing set @ 3917'
Cemented with 680 sxs

Pictured Cliffs @ 3775'

TD 3920'
PBTD 3903'

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from 9/26/06 in order to determine if they would like to assume ownership of the well. If the Jicarilla Apache Nation has not contacted your office before the end of the 45 days you may proceed with plugging operations.